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To: Margo Gillaspy, Solid Waste Division Manager

From: Chris Bell

Date: August 17, 2018

Re: CDL Disposal Rate

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Per direction from the Governance Board during the meeting on August 3, the following three rate scenarios for the disposal of the residual waste from construction and demolition material recovery operations are presented for comparison.

### Current Rate Method

The minimum recovery rate for an approved recycling facility is 75%. The Table 1 details the amount paid for the various levels of diversion.

**Table 1: Current Rate Method**

Diversion Rate	Disposal Fee	Rate Spread	% Spread
<b>0 to 74%</b>	\$ 89.00	\$ 0	0%
<b>75% to 79%</b>	\$ 74.00	\$ 15.00	17%
<b>80% or higher</b>	\$ 64.00	\$ 25.00	28%

### Percentage Spread Method

The method in the draft report maintained the same percentage spread between the proposed disposal fee charged at the Skagit County Transfer Station and the amount charged to the recycling facility. The Table 2 details the increased fees.

**Table 2: Percentage Spread Method**

Diversion Rate	Disposal Fee	% Spread
<b>0 to 74%</b>	\$ 97.00	0%
<b>75% to 79%</b>	\$ 81.00	16.5%
<b>80% or higher</b>	\$ 70.00	28%

### King County Method

King County assesses a \$5 per ton fee on the disposal of the residual waste from C&D operations. The cost of disposal varies for each facility because most of the waste is transported out of the

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county to inert landfills located on the east side of the Cascade Range. The facility reports the amount disposed and submits a check to King County.

### Other Jurisdictions

Snohomish County has a program similar to Skagit where residual waste from an approved recycling facility is charged at \$65 per ton. Disposal for MSW is \$105 per ton at the county operated transfer sites.

Thurston County doesn't have a C&D diversion program. Waste generators can either take it to the County's transfer station where they are charged \$119 per ton or take it to Recovery1 in Tacoma where the rate for mixed C&D is \$90 per ton.

### Rate Comparison

The Table 3 summarizes the three rate methods for disposal of residual waste from construction, demolition, and land clearing operations.

**Table 3: Rate Method Comparison**

	Note	Current FY 18	Currenet in FY 19	Percentage Spread	King Co. Method
Tip Fee	A	\$ 89.00	\$ 97.00	\$ 97.00	\$ 97.00
Disposal Costs @ 80%	B	\$ 64.00	\$ 64.52	\$ 81.00	\$ 57.78
Republic Cost per Ton	C	\$ 52.26	\$ 52.78	\$ 52.78	\$ 52.78
County Margin per Ton	D	\$ 11.74	\$ 11.74	\$ 28.22	\$ 5.00
Facility Charged Disposal	E	\$ 492,751	\$ 496,748	\$ 623,638	\$ 444,846
Republic Disposal Cost	F	\$ 402,353	\$ 406,350	\$ 406,350	\$ 406,350
Total County Revenue	G	\$ 90,398	\$ 90,398	\$ 217,288	\$ 38,496
Alternative \$ ▲	H		\$ -	\$ 126,890	\$ (51,902)

### Table Calculations

The County was invoiced for 7,699 tons of waste from Lautenbach in FY 2017. For these calculations, it is assumed that 7,699 tons of waste will be disposed in FY 2018.

**A:** Tipping Fee is the current (FY18) and the proposed for FY 19.

**B:** Disposal cost charged to Lautenbach when diversion is 80% or higher.

**C:** Cost charged to the County from Republic for transport and disposal.

**D:** County Margin per ton is the residual Disposal Cost @ 80% less the amount charged to the County by Republic (B - C = D).

**E:** This is the amount charged to Lautenbach for disposal (7,699 tons x Item B).

**F:** Amount charged to the County by Republic for disposal in FY 2017. For FY 2018, the calculation is 7,699 tons x Item C.

**G:** County Revenue is the Charged Disposal less the amount charged by Republic (E - F).

**H:** Revenue generated from each rate alternative (Item G - \$90,398).

## Recommendation

The County should retain the current rate method with residual disposal at \$74 per ton at diversion levels between 75% to 79% and disposal at \$64 per ton when the diversion rate is 80% or higher. Disposal fees charged on the residual waste should be adjusted annually, to the nearest dollar, with the increase / decrease for waste transport and disposal charged by Republic Services. Table 4 details the proposed approach and assumes the annual rate increase for disposal is 2.13%.

**Table 4: Rate Calculation for CDL Residual Waste**

Diversion Rate	2018	2019	2020	2021	2022	2023
0 to 74%	\$89.00	\$97.00	\$99.00	\$101.00	\$103.00	\$105.00
75% to 79%	\$74.00	\$76.00	\$78.00	\$80.00	\$82.00	\$84.00
80% or higher	\$64.00	\$65.00	\$66.00	\$67.00	\$68.00	\$69.00

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